

REMARKS

Applicant has now had an opportunity to carefully consider the Examiner's Official Action mailed January 15, 2003. Reexamination and reconsideration of the subject application, as submitted, is respectfully requested.

The Examiner's Action

In the Action, the Examiner rejected all pending claims for failing to define nonobvious subject matter over the teachings of three particular cited references, two of which have been cited and discussed in earlier actions, Luchs et al., U.S. Patent No. 4,831,526 and Electric Insurance, while a new reference to Browning et al., International Publication Number WO 00/52616, is newly cited, and relied upon.

A minor problem with regard to failing to properly claim statutory subject matter was noted with regard to claims 1 and 13, with an Examiner's suggestion for correction. The Examiner's assistance in this regard is gratefully acknowledged and accepted and appropriate amendments have been made to the claims 1 and 13.

The Subject Invention

For purposes of a brief review, the subject invention is directed to a method and apparatus for on-line insurance policy servicing and adjustment of an existing insurance policy between a policyholder and an insurer, via the facilities of the Internet or other electronic communication network. Communication is directly between the policyholder and the insurer for real-time automated adjustment of policy parameters by the policyholder and without the necessity of agent/underwriter guidance and intervention for the benefit of the policyholder or the insurer. Thus, the system provides a substantial advantage over prior art systems by allowing unsophisticated policyholders (vs. educated and trained insurance agents or representatives) to directly communicate with their insurer about desired policy changes, and to directly effect the desired changes to their own policies, electronically and in real-time without specialized insurance knowledge. The provision of an adjustment system which facilitates 100%

policyholder-driven service and operation without agent and operator intervention or assistance provides substantial economies and efficiencies not only with regard to speed of implementation, but also with regard to cost savings. The subject invention comprises an automated system that is fully controlled and operated by the insurer's customer base and provides a substantially improved functionality for the policyholder so that the policyholder himself can independently manage the complete policy life cycle without having to go to a particular agent, waiting for the agent to deal with the matter and with the insurer advising what options are available, underwriting the risk presented by the desired changes, calculating the resulting rate change and then the policyholder making the actual adjustment decision which must be communicated back to the insurer through the agent.

The subject invention comprises a totally automated system for computation and communication of resulting cost adjustments from policyholder communication of a range of possible or actual policy parameter changes. An information module identifies the policyholder to the system and communicates to the policyholder the currently existing policy parameters. A policy adjustment module selectively communicates parameter changes made by the policyholder to the insurer's computer system using the policyholder's answers to a series of questions which are automatically selected for relevance based on prior policyholder responses and underwriting rules. The computer then automatically underwrites the risk associated with the parameter change and generates, electronically and in real-time, the resulting policy costs attributable to the parameter change. Such cost adjustments can be communicated in the form of a quote, and if the computer is so instructed by the policyholder, the policy change and related cost adjustment can be formally submitted and implemented with immediate recognition of the change and the associated coverage. This eliminates the need of the customer to understand complex insurance concepts.

The Cited References

The Examiner's principal reference to Luchs has been repeatedly discussed between Applicant, the Examiner and the Examiner's supervisor. All of Applicant's earlier

distinguishing remarks are herein incorporated by reference. Although Applicant fails to agree with the Examiner with regard to several attributed features of Luchs, the Examiner and Applicant at least agree that Luchs does not teach that the adjustment of the policy is generated without involvement of a customer service representative or agent. (Action, paragraph 9, etc.) This latter feature, of course, was a subject of much discussion at interviews between Applicant and the Examiner, and Applicant believed that this feature in combination with the other claimed features of the invention defined patentable and allowable subject matter over the previously cited and relied upon references. Applicant preserves its previously stated disagreements with the Examiner's interpretation of Luchs, especially with regard to its failure to teach policy servicing capabilities, real-time policy adjustment and automated selective adjustment.

A new reference has now been cited, Browning, comprising a PCT published application, relying upon an earlier filed U.S. application (3 March 1999) for its priority. Applicant expressly refuses to concede that this cited publication comprises prior art against the present application. The proximity of Applicant's filing date to the filing date of the Browning parent application raises the issue of first to conceive in the United States. Additionally though, the U.S. parent of Browning, as far as Applicant can detect, was never published or processed into a granted patent. If the U.S. parent application of Browning has been abandoned, the Examiner should withdraw Browning as a reference as the international publication date alone precludes the PCT publication as a prior art reference.

Applicant believes that no patent (in the U.S. or elsewhere) will ever be granted from the Browning application for numerous reasons. Apart from the issue of its status as citable prior art, the Browning reference fails to teach or suggest direct policy change to an existing policy by an insured customer, with or without intervention by a representative or agent of the insurer.

More particularly, the Examiner has cited Browning for its teaching of "an online system that allows a user to change an insurance policy without involvement of a customer service representative or agent using underwriting criteria stored on an Underwriting server". (Action, paragraph 9, etc.) Applicant respectfully disagrees. There is no teaching anywhere in

Browning of any process for a user "changing" anything. The Browning system is not a system of communication between an existing policyholder and an insurer. There is no existing contract to be adjusted or changed. Browning is an information communication system. It purports to teach that a user of the system can be advised for what type of financial services product he/she may be qualified. Then, "[t]he user may be given contact information for a human representative" to complete the application process (Browning, p. 7, lines 22-23). What Applicant believes Browning fairly intended with its wholly inadequate and extremely limited disclosure is a system whereby a user may go on line to see if he/she would qualify for certain types of financial services, primarily credit cards, based upon some common and fairly limited financial data. There is no basis whatsoever in the reference for interpreting this teaching as a system which facilitates real-time communication directly between a customer and an insurer for adjustment of an existing insurance policy and contract or for a system through which a policyholder can unilaterally change his policy parameters in real-time without assistance from an agent or an insurance company representative.

To the extent that the Examiner appreciates Browning et al. as teaching of an issuance of a contract, issuance should not be confused with on-line policy adjustment.

The intelligence required to understand how to manage an existing policy is significantly more complicated than issuance. For issuance, every component of a policy is an add, such as adding a driver, vehicle, or coverage. In maintenance of an existing policy, the insurer has significant complexities for changing the interrelated components, as well as what can and cannot be done when deleting a component. There are significant complexities around the dates the components are added and when the components are to become effective, as well as understanding whether there are other outside events which enable or disable what can and cannot be done to a policy. With issuance, the insurer does not need to be concerned about these type of changes and the effect they have on the policy. Issuing the policy is just the beginning of the policy life cycle.

As events change the status of the policy, the insurer needs to understand what transactions can be applied to the policy in these different statuses. For new business, the insurer

does not need to be concerned about these events. For example, if a vehicle on a policy has a claim reported, the vehicle cannot be deleted from the policy. Another example is if the customer changes his/her policy where the insurer needs to refund the customer money. In real-time, the subject invention can show the insured the amount of the refund and a recomputed bill schedule.

Issuance does not need to be concerned about historical transactions on the policy. The policy life is made of a succession of renewal terms, either 6 month or 12 month policy terms. To process a change to a policy, the insurer (or, in this case, the insurer's computer system) sometimes needs to look at prior terms to decide whether this change should be applied to the current term. Such as changing a coverage, this change may need to be applied to multiple terms for the insured. There are instances where these type of changes are disabled by the status of the prior terms (e.g., a vehicle cannot be removed from the policy if there is an open/pending claim against it).

When managing coverage changes to a policy, the insurer needs to be concerned about the effective date of the change and the date the change is processed. Unfortunately, changes to a policy are not necessarily made chronologically by effective date. A change effective 3-1 can be made on a policy when the current date, i.e. processed date, is 4-1. The insurer needs to understand under what circumstances a change can be made to a policy and under what circumstances a change can be made with a retroactive effective date. Additionally, a policy which has a prior change posted on it effective 5-1 and processed 5-1 will need to be examined for another change with a prior effective date of 4-1 but processed on 5-2.

The subject invention captures this intelligence, which allows a casual user the ability to self service the policy.

Browning does mention that its system is applicable to auto insurance. The Examiner should appreciate that there is very little additional teaching in the Browning system as to how the system actually communicates any information about auto insurance to a user and contains no teachings as to how such information is processed or applied to effect change in an

existing auto insurance policy. Browning's off-hand reference to auto insurance adds precious little to the sum of human knowledge.

Applicant perceives a surprising lack of enabling description in the Browning publication. The mere suggestion that somehow a system can contain some underwriting data, for allowing a user to determine if he qualifies for some type of auto insurance, is merely a statement of objective. There is no enablement whatsoever as how such a system could be actually implemented. Given the detailed description in the subject application in comparison, Browning comprises merely a statement of desired results. No one of ordinary skill in the art could ever implement the subject invention utilizing a combination of Luchs and Browning.

Moreover, Browning's single platform information supply system could not hope to satisfy the diverse formulation needs of the insurance business, the credit card business, and the home mortgage business.

The last cited reference, Electric Insurance, is again a brief summary description of an on-line policy purchase system whose subject is policy acquisition, insurance planning tools and some other generalized information. The function of the system described in Electric Insurance is to allow customers to compare rates from multiple carriers in one session. There is no policy servicing functionality whatsoever in the reference. It is merely a communication system which facilitates policy purchase/acquisition through comparison shopping through an on-line system. The claims distinguish over this reference.

The Examiner will appreciate that all pending claims 1-72 of the subject application are directed to "policy adjustment" – not issuance. This limitation has been repeatedly discussed and demonstrated with the actual commercial implementation of the subject invention with the Examiner and Supervisory Patent Examiner Thomas. There is no pending claim which is directed to policy issuance alone. Accordingly, the direct communication between an insured and an insurer over changes to an existing policy, i.e., without the aid or intervention of a customer representative or agent, and the "real-time" implementation of a selected change by the insured, acting alone, and its confirmation back to the insured, is not shown or taught in any of the references, individually or in combination.

For the foregoing reasons, it is believed that this application is now in condition for allowance and early notice thereof is requested.

Respectfully submitted,

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Date: 5/15/03


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Attachment: Versions with Markings to Show Changes Made

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U.S. Serial No. 09/364,803
Art Unit: 3626
Attorney Docket: PGR 2 0003-1

Versions with Markings to Show Changes Made

In The Claims:

Claims 1 and 13 have been amended as follows:

1. (Quadruple Amended) An on-line insurance policy service system for real-time automated selective adjustment by a policyholder of policy parameters for a an existing policy and system computation and communication of the adjustment, comprising:

an information module for identifying a policyholder to the system and for verifying to the policyholder a present policy parameter; and

a policy adjustment module for selectively communicating through an Internet on-line connection a desired parameter change by the policyholder and for generating in real-time and without involvement of a customer service representative or agent an adjustment in the policy attributable to the parameter change and directly communicating to the policyholder in real-time an acknowledgement of the adjustment.

13. (Quadruple Amended) An on-line insurance policy service system for real-time automated selective adjustment by an insured policyholder of policy parameters for an existing insurance policy, and for system computation and communication of changes in coverage under the policy comprising:

an information module for identifying a policyholder to the system and for verifying to the policyholder a present policy parameter of the policy held by the policyholder; and,

a policy adjustment module for selectively communicating through an Internet on-line connection a parameter change from the policyholder, for generating in real-time a coverage adjustment attributable to the parameter change without supervisory implementation by an agent, a customer service representative, or other employee or representative of the insurer, for changing the policy in real-time in accordance with the coverage adjustment and for communicating in real-time the coverage adjustment directly to the policyholder.